

## Message Text

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47

ACTION FEAE-00

INFO OCT-01 NEA-09 ISO-00 EB-07 AEC-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-05 SP-02 SS-15 STR-04 TRSE-00 FRB-01 /087 W

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R 211001Z JAN 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 2003

UNCLAS KUWAIT 0310

E.O. 11652: N/A

TAGS: ENRG KU

SUBJECT: NATIONAL OIL COMPANIES: KNPC

REF: STATE 9029

1. NATIONAL OIL COMPANY OF KUWAIT IS KUWAIT NATIONAL PETROLEUM COMPANY (KNPC) WHICH OWNED 60 PERCENT BY GOK AND 40 PERCENT BY KUWAIT PRIVATE SHAREHOLDERS. COMPANY HAS BEEN IN EXISTENCE SINCE 1961. A NEW COMPANY, THE KUWAIT OIL, GAS AND ENERGY COMPANY (KOGEC) PRESENTLY BEING ESTABLISHED. IT WILL BE COMPLETELY GOVERNMENT OWNED AND WILL HAVE BROAD RESPONSIBILITIES IN ALL COMMERCIAL AND INDUSTRIAL ASPECTS OF PETROLEUM AND ITS DERIVATIVES IN KUWAIT. FOR PURPOSES FEA STUDY, HOWEVER, INFO PROVIDED BELOW REFERS ONLY TO KNPC AND NOT RPT NOT TO KOGEC WHICH UNTIL NOW IS ONLY A PAPER ORGANIZATION.

2. RE PARA 1(A) REFTTEL: 100 PERCENT OF LOCAL MARKET FOR GASOLINE, GAS-OIL, KEROSENE, BUNKERS AND AVIATION FUEL RESERVED FOR KNPC OR ITS SUBSIDIARIES. EXPRESSED BOTH IN TERMS OF PRODUCTS AND AS PERCENTAGE. RETAIL MARKET AFFECTED. FOR ALL PRACTICAL PURPOSES NO WHOLESALE MARKET EXISTS EXCEPT FOR CERTAIN LUBE PRODUCTS WHICH NOT RESERVED FOR KNPC BUT OPEN TO FOREIGN SUPPLIERS. FYI THIS IS NOT LIKELY LAST MUCH LONGER SINCE KNPC

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PLANNING CONSTRUCT LUBE PLANT HERE. END FYI.

3. AUTHORITY FOR KNPC LOCAL MARKETING MONOPOLY STEMS FOR GOK DECISION TAKEN AT TIME COMPANY FOUNDED WHICH WAS ALSO YEAR KUWAIT ATTAINED FULL INDEPENDENCE. PREVIOUSLY LOCAL MARKETING WAS RESERVED TO KUWAIT OIL COMPANY, WHICH AGREED TO PROVIDE PRODUCTS AT REQUEST OF GOK. IN 1961 GOK RESERVED LOCAL MARKETING TO ITSELF AND THEN APPOINTED KNPC AS ITS AGENT. GOK DID NOT EXPLICITLY GIVE KNPC EXCLUSIVE DISTRIBUTION RIGHTS, BUT AS PRACTICAL MATTER IT HAS DE FACTO 100 PERCENT MONOPOLY. EXCLUSIVE BUNKER RIGHTS WERE OBTAINED IN 1974 AT URGING OF NATIONAL ASSEMBLY.

4. RE PARA 1(B) REFTEL: NA

5. RE PARA 1(C) REFTEL: STATISTICS FOR 1974 NOT YET AVAILABLE. FIGURES FOR 1973 ARE AS FOLLOWS:

PRODUCTS	UNIT	1973
PREMIUM GASOLINE	K/LITRES	468454
SUPER PREMIUM GASOLINE	"	43058
TOTAL GASOLINE	"	511512
KEROSINE	"	42400
GAS OIL	"	182259
LUBRICANTS	IMP. GALLON	436258
BITUMEN	LONG TONS	51049
LIGHT FUEL OIL	LONG TONS	44623
MARINE DIESEL OIL	" "	4194

1974 SALES THOUGHT TO BE ABOUT 5 PERCENT ABOVE 1973 LEVELS  
OVERALL.  
STOLTZFUS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, POLICIES, FINANCIAL PROGRAMS, FINANCIAL RESERVES, PETROLEUM RESERVES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 JAN 1975  
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**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**From:** KUWAIT  
**Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** NATIONAL OIL COMPANIES: KNPC  
**TAGS:** ENRG, KU  
**To:** STATE  
**Type:** TE  
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